

**Natbony Declaration Exhibit 3**

1  
2 IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

3 Case No. 17-BK-3283-LTS

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4 In re:

5 THE FINANCIAL OVERSIGHT AND MANAGEMENT  
BOARD FOR PUERTO RICO,

6 as representative of

7 THE COMMONWEALTH OF PUERTO RICO, et al.,

8 Debtors.

9 -----x

Case No. 17-BK-4780-LTS

10 -----x

In re:

11 THE FINANCIAL OVERSIGHT AND MANAGEMENT  
12 BOARD FOR PUERTO RICO,

13 as representative of

14 THE PUERTO RICO ELECTRIC POWER AUTHORITY,

15 Debtor.

-----x

16 May 12, 2023

9:29 a.m.

17  
18 VIDEOTAPED DEPOSITION of FERNANDO  
19 BATLLE, held at the offices of Kramer Levin  
20 Naftalis & Frankel LLP, located at 1177  
21 Avenue of the Americas, New York, New York  
22 10036, before Anthony Giarro, a Registered  
23 Professional Reporter, a Certified Realtime  
24 Reporter and a Notary Public of the State  
25 of New York.

1 FERNANDO BATLLE

2 and I know I'm testing it -- was that  
3 monoline insurers received the same  
4 percentage recovery under both of those  
5 plans than all other monoline insurers;  
6 is that right?

7 A That's my recollection, to  
8 the extent that they own the same class  
9 of securities because they were, as you  
10 recall, senior and sub. That's my  
11 recollection.

12 Q Do you know why monoline  
13 insurers or National is being treated  
14 better than other monoline insurers under  
15 the plan of adjustment?

16 MR. FRIEDMAN: I'm going to  
17 instruct you as always not to reveal  
18 any discussions with counsel.

19 Q Let me just repeat it.

20 Do you know why National is  
21 receiving better, higher percentage  
22 recovery than other monoline insurers  
23 under the amended PREPA plan of  
24 adjustment?

25 A It's driven likely by the

1 FERNANDO BATLLE

2 board's desire to -- within the same  
3 resource envelope as a term, the amount  
4 of dollars available for settling the  
5 claims, having more people be part of the  
6 process is better. And maybe that's the  
7 reason why they did it.

8 Q Let me make sure I  
9 understand.

10 Giving one monoline insurer  
11 a higher percentage recovery than all  
12 other monoline insurers, is it AAFAF's  
13 understanding that that increases the  
14 amount of people who will support the  
15 plan? I just want to make sure I  
16 understand your question.

17 A Well, it's another party  
18 that supports the plan; right?

19 Q You mean National?

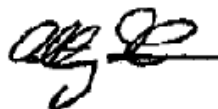
20 A Yes.

21 Q So if I understand you  
22 correctly, the decision to give National  
23 a higher percentage recovery under the  
24 amended plan of adjustment was based on  
25 bringing National onboard to the plan?

C E R T I F I C A T I O N

I, ANTHONY GIARRO, a Shorthand  
Reporter and a Notary Public, do hereby  
certify that the foregoing witness,  
FERNANDO BATLLE, was duly sworn on the date  
indicated, and that the foregoing, to the  
best of my ability, is a true and accurate  
transcription of my stenographic notes.

I further certify that I am not  
employed by nor related to any party to  
this action.



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ANTHONY GIARRO